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Dianne B. Kuhnell. Senior Paralegal

# VIA OVERNIGHT DELIVERY

March 20, 2012

RECEIVED

MAR 2 1 2012

Mr. Jeff Derouen Executive Director Kentucky Public Service Commission 211 Sower Blvd Frankfort, KY 40601 PUBLIC SERVICE COMMISSION

Re: Case No. 2011-00486

An Examination of the Application of the Fuel Adjustment Clause of Duke Energy Kentucky, Inc. from May 1, 2011 through October 31, 2011

Kentucky, Inc. from May 1, 2011 through October 31, 2011

Dear Mr. Derouen:

Enclosed please find an original and twelve copies of the Responses of Duke Energy Kentucky, Inc. to Commission Staff's Post Hearing Data Requests in the above captioned case.

Please date-stamp the two copies of the letter and the responses and return to me in the enclosed envelope.

Sincerely,

Dianne Kuhnell Senior Paralegal

cc: Dennis Howard (w/enclosures)

Diane Kikrell

# **VERIFICATION**

State of North Carolina	)	
	)	SS
County of Mecklenburg	)	

The undersigned, Elliott Batson, Jr., being duly sworn, deposes and says that he is the Vice President, Regulated Fuels, that he has supervised the preparation of the responses to the foregoing information requests; and that the matters set forth in the foregoing responses to information requests are true and accurate to the best of his knowledge, information and belief, after reasonable inquiry.

Miott Batson, Jr., Affiant

Subscribed and sworn to before me by <u>Flloott Batson</u> TR on this <u>12</u> day of March 2012.

NOTARY PUBLIC

My Commission Expires: 6/17/12

### **VERIFICATION**

STATE OF NORTH CAROLINA	)	
	)	SS
COUNTY OF MECKLENBURG	)	

The undersigned, John Swez, being duly sworn, deposes and says that he is employed by the Duke Energy Corporation affiliated companies as Director, Generation Dispatch & Operations for Duke Energy Business Services, LLC; that on behalf of Duke Energy Kentucky, Inc., he has supervised the preparation of the responses to the foregoing information requests; and that the matters set forth in the foregoing responses to information requests are true and accurate to the best of his knowledge, information and belief after reasonable inquiry.

John Swez

Subscribed and sworn to before me by John Swez on this \_\_\_\_\_ day of March 20

NOTARY PUBLIC

My Commission Expires: OS | 13 | 2016

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STAFF-DR-01-001 (POST HEARING DATA REQUEST)

# **REQUEST:**

Please see page 3 of Staff-DR-01-007 attachment.

Explain the forced outage which occurred from September 13, 2011 to September 30, 2011, described as "Open Bank 39 – Troubleshoot Unit".

#### **RESPONSE:**

One of the phases of the Woodsdale unit 1 generator breaker had a linkage failure which caused a voltage imbalance and ultimate failure of the generator breaker. The length of outage was determined by disassembly and reassembly of the generator breaker and replacement parts availability.

PERSON RESPONSIBLE: John Swez

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STAFF-DR-01-002 (POST HEARING DATA REQUEST)

## **REQUEST:**

Please provide the estimated fuel savings from continuing to burn medium sulfur coal at Miami Fort 6 over the first six months of 2012 compared to switching to a low sulfur coal.

## **RESPONSE:**

Fuel savings associated with continuing to burn a medium sulfur coal under contract for 2012 compared to switching to a lower sulfur NYMEX quality coal are estimated to be approximately \$1,500,000 for the first six months of 2012. The estimated savings, after adjusting for differences in transportation costs, are \$9.32 per ton of coal which is applied to a projected coal burn of 158,787 tons of coal for the first six months of 2012.

#### PERSON RESPONSIBLE:

Elliot Batson

STAFF-DR-01-003 (POST HEARING DATA REQUEST)

# **REQUEST:**

Please see the response to Staff-DR-01-011, page 2 part (a). Of the 27,037 tons of total inventory at Miami Fort 6, please describe which portion is low sulfur coal and medium sulfur coal.

#### **RESPONSE:**

All 27,037 tons as of October 31, 2011 was medium sulfur coal. Low sulfur coal was not delivered to Miami Fort 6 until November, 2011.

#### PERSON RESPONSIBLE:

Elliot Batson

STAFF-DR-01-004 (POST HEARING DATA REQUEST)

## **REQUEST:**

Please see page 4 of Staff-DR-01-007 attachment.

- a. Explain the forced outage which occurred on June 4, 2011, described as "New Controls Failure".
- b. Were the new controls installed by Duke or contractor labor?
- c. If the new controls were installed by contractor labor, is it possible to recover the cost of the outage from the contractor?

#### **RESPONSE:**

- a. Woodsdale unit 2's generator exciter voltage control would not pickup due to a communication issue between the exciter and new control system.
- b. The controls were installed by a contractor with Duke Energy support.

  No, it is not possible to recover the costs of the outage from the contractor. This outage was classified as a forced outage and under the FAC regulations, the incremental costs of replacement power did not flow through the FAC. Therefore, customers were not harmed because of the unavailability of the unit.

PERSON RESPONSIBLE: John Swez